

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1404-01  
Bill No.: HB 736  
Subject: Revenue Department; Telecommunications  
Type: Original  
Date: March 24, 2011

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Bill Summary: This proposal requires the Department of Revenue to establish a method of providing and receiving all Department of Revenue documents and forms electronically.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$1,703,912)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$1,703,912)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the term "provided to the public" limits the documents and forms that must be provided electronically to only items that contain no confidential information, are not created for a one time use, and are not for a specific taxpayer.

The Department's Motor Vehicle Bureau has determined that up to 90 percent of their forms require additional documentation to be included when submitted to DOR. To require submission of all these forms electronically will result in an extensive amount of programming. If the electronic filing requirements are limited to Taxation, it will significantly reduce the impact on the DOR. However, there are a number of filing situations which present electronic filing problems within Tax. If the taxpayer must submit documentation from a third party, or DOR is not the originator of the document, DOR is not currently able to receive and process data from these forms. Additionally, if the form is required to be notarized, an electronic submission will not contain the required notary information.

The IT portion of the fiscal impact is estimated with a level of effort valued at \$1,703,912, calculated on 12,768 FTE hours in the Tax group, 23,040 FTE hours in the Motor Vehicle and Drivers group, \$655,000 for software to capture PDF images, and \$100,000 to build workflow to process all documents and forms electronically.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Revenue</u>			
Programming	(\$948,912)	\$0	\$0
Software	<u>(\$755,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$1,703,912)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

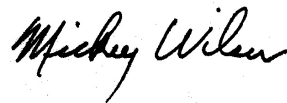
### FISCAL DESCRIPTION

This proposed legislation establishes the Paperless Documents and Forms Act which requires the Department of Revenue to develop and implement by January 1, 2013, a method of providing to the public all department documents and forms electronically that are capable of electronic submission back to the department. These provisions cannot be construed to prohibit the submission of paper forms to the department.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 24, 2011